



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	SB0334	Title:	Equitable distribution of fish and game funds
Primary Sponsor:	Pease, Gerald	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
State Special Revenue	\$921,035	\$921,035	\$921,035	\$921,035
Revenue:				
Federal Special Revenue	(\$83,364)	(\$83,364)	(\$83,364)	(\$83,364)
Net Impact-General Fund Balance	\$0	\$0	\$0	\$0

Description of Fiscal Impact:

7% of the department's federal Pittman-Robertson and Wallop-Breaux allotment or \$920,035 will be set aside for Montana tribal governments. An additional \$920,035 of general license funds will be needed in order to maintain existing programs. There will also be a loss of federal overhead revenue of \$83,364 due to the 5% cap on administrative costs.

FISCAL ANALYSIS

Assumptions:

Department of Fish, Wildlife and Parks (FWP)

1. Additional time and travel costs for existing staff (\$1,000 each fiscal year) will be required for ongoing administration of the new sub-grantee program. Responsibilities will include developing and implementing program guidelines and coordinating with the tribes, FWP staff, and federal agencies.
2. In addition to the administrative duties identified in assumption number one, FWP's existing staff and budgets will absorb additional responsibilities (e.g. legal staff, field staff and administrators).
3. SB 334 allows up to 7% of Pittman Robertson (PR) and Wallop Breaux (WB) funds for tribal wildlife and fish management programs. A 7% estimate of each sub-account within the PR and WB accounts based on federal fiscal year 2006 federal aid apportionments is:

	PR - Wildlife	Hunter Ed	Total
	\$5,862,252	\$418,121	\$6,280,373
7%	\$410,358	\$29,268	\$439,626

	WB - Fisheries	Motorboat	Total
	\$5,833,533	\$1,029,447	\$6,862,980
7%	\$408,347	\$72,061	\$480,409

- To maintain current levels of service in existing fish and wildlife programs, state general license dollars equivalent to the re-directed 7% will be used to replace the federal PR and WB funds being redirected to projects on Indian reservations.
- With administrative costs capped at 5%, FWP will not be able to collect adequate federal overhead revenue for administrative support. FY 2007 federal overhead rate is 16.04%. Overhead revenue loss would be \$83,364 ($\$920,035 / 1.1604 = \$792,860$ in direct costs and \$127,175 in overhead costs ($\$792,860 \times .1604 = \$127,175$) compared to $\$920,035 / 1.05 = \$876,224$ in direct costs and \$43,811 in overhead costs ($\$876,224 \times .05 = \$43,811$) The difference in overhead collected will be \$83,364 ($\$127,175 - \$43,811$)
- FWP assumes that the tribes are responsible for the required non-federal match (25% of entire project cost) on each of their eligible projects.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses - staff	\$1,000	\$1,000	\$1,000	\$1,000
Operating Expenses - program	\$920,035	\$920,035	\$920,035	\$920,035
TOTAL Expenditures	<u>\$921,035</u>	<u>\$921,035</u>	<u>\$921,035</u>	<u>\$921,035</u>
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$921,035	\$921,035	\$921,035	\$921,035
<u>Revenues:</u>				
Federal Special Revenue (03)	<u>(\$83,364)</u>	<u>(\$83,364)</u>	<u>(\$83,364)</u>	<u>(\$83,364)</u>
TOTAL Revenues	<u>(\$83,364)</u>	<u>(\$83,364)</u>	<u>(\$83,364)</u>	<u>(\$83,364)</u>

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

State Special Revenue (02)	(\$921,035)	(\$921,035)	(\$921,035)	(\$921,035)
Federal Special Revenue (03)	(\$83,364)	(\$83,364)	(\$83,364)	(\$83,364)

Long-Range Impacts:

- The \$920,035 that will be diverted to tribal projects will no longer be available for ongoing department programs and projects. Management of fish and wildlife resources will be reduced by an equivalent amount or, if general license dollars are used to replace the diverted funds, there will be an accelerated depletion of the general license account's projected fund balance.

Sponsor's Initials_____
Date_____
Budget Director's Initials_____
Date